



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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June 21, 1999

CERTIFIED RETURN RECEIPT

P 074 976 699

Dale Snyder

Absolute Mining and Minerals Inc.

1350 East 145 South

Lehi, Utah 84043

Re: Small Mine Operation Exceeding Five Acres of Disturbance, Absolute Mining and Minerals, Inc.(AMMI), Dolores River Placer Operations (UTU-72488), S/019/035, Grand County, Utah

Dear Mr. Snyder:

On April 30, 1999, staff from the BLM and Division inspected your Dolores River Placer Operation (copy of inspection memo attached). During the inspection a Global Positioning System (GPS) unit was used to measure most of the site disturbance. The GPS survey revealed the operation had expanded beyond the five acre limitation for a small mine operation. The area measured was considered to be a conservative estimate of the disturbance because several isolated disturbances were not included in this measurement. The GPS survey covered areas recently disturbed in comparison to an aerial photo received by the Division from the BLM in December 1994. The survey gave a disturbed area of approximately 6.15 acres.

The expansion of this small mine operation beyond five acres requires your immediate attention to avoid formal state and/or federal noncompliance enforcement action. In order to allow you to continue mining within the current disturbed area(s), the Division will require you to choose one of the following options:

1. Post an *interim* \$15,375 reclamation surety. The \$15,375 amount represents a Division program average reclamation rate of \$2500/acre for the 6.15 acres of site disturbance. The interim surety must be received within 30 days of your receipt of this letter, or

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2. Conduct immediate reclamation of appropriate on site disturbances to reduce the total surface disturbance to five (5) or less acres. This work must be completed within 30 days of your receipt of this letter.

If you choose option #1, the *interim* reclamation surety must be posted with this office using the Division's approved surety forms. Acceptable forms of reclamation surety include, but are not limited to: a corporate surety bond, a letter of credit and a certificate of deposit (*see rule R647-4-113.4*). Please notify us promptly of your preferred choice of surety, so we can send you the appropriate Division forms.

If you do not post an *interim* reclamation surety, or conduct timely reclamation of the excess disturbance, we may be forced to take more formal enforcement actions. Those actions could include, but not be limited to any or all of the following: a Notice of Noncompliance, a Notice of Agency Action (requiring a formal public hearing), cessation of operations, permit revocation, immediate reclamation, fines and/or other appropriate penalties as authorized by state mining laws.

If you do not choose option #2, then *within 60 days of your receipt* of this letter you must submit a permit application for a large mine operation notice of intention (LMO-NOI). A requisite \$350 permit application fee is required to accompany a new large mining notice. At the present time, large mine notices require at least nine to twelve months for processing and Division approval. A copy of the Large Mining Operation permit application form and the Minerals Rules pertaining to a large mine operation are enclosed for your use. Posting of the interim reclamation surety will allow you to operate within the *existing permit area* until the large mining permit application is approved.

The site inspection also revealed that areas presently disturbed are not described in the mine plan submitted with your original notice. The plan submitted described a processing tailings area immediately North and West of the existing steel building. The recent inspection revealed that a very small portion of the area described in the original plan had been mined. The hilltop immediately South of the steel building is being mined with the material being pushed to a slot trench located above your wash plant. This material has apparently been the primary feed through the wash plant.

A stipulation included in the currently approved mine plan requires advance written notification (i.e., an amendment) before any additional mine activities are conducted outside of the originally identified areas of operations. To date, neither the BLM or the Division have received such an amendment. Activity in the area South of the steel building should cease until an amendment for the addition of this area has been approved, or the LMO-NOI is approved.

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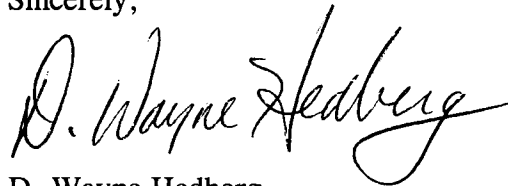
Topsoil was to be salvaged and stockpiled from disturbed areas prior to mining. No evidence of segregating or stockpiling topsoil was found during the recent site inspection.

As a part of your approved mine plan, previously "mined out" areas were to be reclaimed as your mining progressed to gain "favorable consideration as to bonding requirements." No evidence of concurrent reclamation of disturbances such as recontouring or reseeding was found during the recent site inspection.

The inspection also revealed that some material has been removed from within the old mined out areas. As stated in the Division's December 22, 1994 letter to the BLM (copied to Don Dallape of AMMI), pre-existing disturbances which are reimpacted by mining operations will be considered as part of the disturbed area. These old areas which have been impacted will need to be included in the LMO-NOI application, if immediate reclamation of these areas is not performed. While these areas were not included in the GPS survey, they were noted as a part of the site inspection.

If you have any questions regarding the requirements in this letter, please contact me at your earliest convenience at (801) 538-5286. If I am unavailable, please contact Tony Gallegos at (801) 538-5267, or Doug Jensen at 538-5382. Thank you for your cooperation in resolving these outstanding concerns.

Sincerely,



D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

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Attachments: copy of Division 4/30/99 inspection memo

Enclosures: LMO-NOI form, Large Mine Rules

cc: Bill Stringer(?), Moab BLM FO Manager

Mary Ann Wright, Associate Director of Mining

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